

**UNITED STATES BANKRUPTCY COURT  
DISTRICT OF MINNESOTA**

In re:

Duke and King Acquisition Corp.  
Debtor.

Case No. 10-38652  
Chapter 11 Case

Duke and King Missouri, LLC  
Debtor.

Case No. 10-38653  
Chapter 11 Case

Duke and King Missouri Holdings, Inc.  
Debtor.

Case No. 10-38654  
Chapter 11 Case

Duke and King Real Estate, LLC  
Debtor.

Case No. 10-38655  
Chapter 11 Case

DK Florida Holdings, Inc.  
Debtor.

Case No. 10-38656  
Chapter 11 Case

**INTERIM ORDER GRANTING EXPEDITED RELIEF AND (A) AUTHORIZING USE  
OF UNENCUMBERED CASH OR, IN THE ALTERNATIVE, CASH COLLATERAL  
AND (B) GRANTING ADEQUATE PROTECTION**

These cases came before the court on the Debtors' Motion for (I) Expedited Relief, and (II) Interim and Final Orders (A) Authorizing Debtors' Use of Unencumbered Cash or, in the Alternative, Cash Collateral and (B) Granting Adequate Protection (the "Motion"). Capitalized terms used, but not otherwise defined herein, have the meanings given to them in the Motion. Appearances are noted on the record.

Based on the arguments of counsel and the documents of records herein, the Court being fully advised in the premises, and after due deliberation and consideration and sufficient cause appearing therefor,

NOTICE OF ELECTRONIC ENTRY AND  
FILING ORDER OR JUDGMENT  
Filed and Docket Entry made on **12/08/2010**  
Lori Vosejpka, Clerk, By JRB, Deputy Clerk

**THE COURT FINDS AND CONCLUDES THAT:**

A. The Court has jurisdiction over this matter pursuant to 28 U.S.C. § 1334 and reference from the District Court for the District of Minnesota pursuant to 28 U.S.C. § 157. Venue is proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409.

B. Notice of the Motion and the Interim Hearing was sufficient under the circumstances and constitutes due and sufficient notice thereof.

C. Pursuant to sections 1107 and 1108 of the Bankruptcy Code, the Debtors have retained possession of their assets and are authorized to continue the operations and management of their businesses as debtors in possession.

D. No official committee of unsecured creditors has been appointed in the chapter 11 cases and no request has been made for appointment of a trustee or examiner.

E. The legal and factual bases set forth in the Motion establish just cause for the relief granted herein.

F. The Debtors' use of cash and other assets is necessary to the continued viability of the Debtors' businesses.

G. The Debtors assert that Bank of America, N.A. ("BofA"), Warren Capital Corporation, the Coca-Cola Company, Duke Manufacturing Company and/or Meadowbrook Meat Company, Inc. ("MBM," and collectively, the "Secured Creditors") have a lien on or security interests in certain non-cash assets of the Debtors, but have no interest in, or lien on, the Debtors' cash. BofA and MBM assert that the Debtors' cash is cash collateral, the use of which requires their consent or an order of the Court. The Court makes no finding on the issue for purposes of this Interim Order. Rather, to the extent the Debtors' cash is cash collateral, the Debtors' use of such cash is, as set forth below, authorized and approved on an interim basis.

H. As of December 1, 2010, according to the books and records of the Debtors the BofA Borrowers' outstanding obligations to BofA under the BofA Notes total approximately: (a) \$9,247,144 in principal on Term Loan A, plus accrued interest and late charges in an amount to be determined; (b) \$0.00 on Term Loan B; (c) \$1,655,283 in principal on Term Loan C, plus accrued interest in an amount to be determined; and (d) \$24,037 in principal, \$280.60 in interest and \$272.19 in late charges on the Acquisition Note. Term Loan D is paid in full. In addition, D&K Acquisition and BofA are parties to an ISDA Master Agreement and Schedule dated November 10, 2006.

I. BofA is asserting a lien on the assets set forth on Exhibit B to the Motion. MBM is asserting a purchase money security interest and lien on the Debtors' inventory and the products and proceeds thereof.

J. The Debtors have proposed to provide adequate protection to BofA and MBM for the use of (i) those assets of the Debtors that are collateral of BofA or MBM, and (ii) cash, but only if, and to the extent, the Court later determines that the Debtors' cash is cash collateral of BofA or MBM. The Court makes no determination as to the priority, validity or extent of any lien asserted by the Secured Creditors, or the right of the Secured Creditors to adequate protection.

K. The evidence presented at the hearing substantiates the Debtors' request for use of cash and other assets consistent with this Interim Order.

**IT IS HEREBY ORDERED THAT:**

1. The Debtors' Motion for expedited hearing is granted.
2. Subject to the terms of this Interim Order, the Debtors shall be, and hereby are, authorized to use the cash generated by the operation of their businesses to continue to operate

their businesses in the ordinary course of business through December 24, 2010, consistent with the Budget attached hereto as Exhibit 1. The Debtors may use such cash: (a) to pay for inventory, postpetition wages and employee benefits, local advertising fees to Burger King Corporation, such other expenditures necessary to avoid irreparable harm to the Debtors' estates, the expenses necessary to complete the closing of the five restaurants the Debtors closed prior to the commencement of these cases, and taxes and fees, in each instance up to the amounts allocated to these items in the Budget, provided, however, that the Debtors may, if necessary, exceed the amounts budgeted for inventory and restaurant level wages by as much as 10% solely for purposes of purchasing additional inventory or paying additional wages if volume at the restaurants justify such additional expenditures; and (b) to make those payments that the Debtors are authorized to make pursuant to other orders of the Court, including allowed amounts due to or on account of prepetition wages and employee benefits, taxes and fees, critical vendors, and customer obligations.

3. Subject to sections 361 and 363 of the Bankruptcy Code, as adequate protection for the Debtors' use of BofA's and MBM's alleged collateral, (a) BofA and MBM are hereby granted replacement liens, pursuant to 11 U.S.C. §§ 361(2) 552, in the Debtors' postpetition assets of the same type and nature as those assets subject to the prepetition liens of BofA and MBM (collectively, the "Replacement Liens"); provided, however, that any and all such Replacement Liens shall have the same nature, character, validity, priority, dignity, extent and effect as the liens of BofA and MBM, if any, in such collateral prior to the Petition Date and shall be without prejudice to the rights of the Debtors or any other party in interest to challenge the nature, character, validity, priority, dignity, extent and effect of any such liens or commence any proceeding under the Bankruptcy Code seeking a determination with respect thereto or

seeking to avoid or set aside any such liens or any defenses of the Secured Lenders thereto; and provided further that such Replacement Liens shall specifically exclude all actions under chapter 5 of the Bankruptcy Code and the proceeds thereof and (b) BofA is hereby granted the right to receive copies of regular financial or operating reports, including those filed with the Office of the U.S. Trustee.

4. Nothing in this Interim Order shall operate to waive any of the Debtors' rights to contest the rights of the Secured Creditors to receive adequate protection.

5. Any Replacement Liens granted to BofA or MBM shall be limited to the diminution in the value of BofA's or MBM's collateral.

6. Subject to the other provisions of this Interim Order, the Replacement Liens granted herein shall be valid and fully perfected without any further action by the Debtors, BofA, or MBM and without the execution or the recordation of any financing statements, security agreements, mortgages or other documents. Notwithstanding the foregoing, BofA and MBM hereby authorized, but not required, to file or record financing statements, trademark filings, copyright filings, mortgages, account control agreements, notices of lien or similar instruments in any jurisdiction or take any other action in order to validate and perfect the Replacement Liens granted to them hereunder.

7. The provisions of this Interim Order, as well as the Replacement Liens and security interests granted herein, shall continue in this and any subsequent case under the Bankruptcy Code. The Replacement Liens and security interests shall maintain their priority as provided in this Interim Order, until the indebtedness of the Debtors to BofA or MBM has been completely paid and satisfied, unless otherwise ordered by the Court.

8. This Interim Order is without prejudice to the rights of the parties to seek any further or different relief, or modification of relief for use of cash or cash collateral for the period after the interim period covered by this order, including, but not limited to, relief from the automatic stay.

9. Except as expressly provided herein, the rights, claims, and interests of the Debtors, Secured Creditors, and all other parties in interest are hereby preserved.

10. The Final Hearing is scheduled for December 21, 2010 at 1:30 p.m. before this Court. The Debtors shall promptly serve copies of this Order in accordance with the local rules applicable to methods of service of motions (which shall constitute adequate notice of the Final Hearing) to the parties having been given notice of the Interim Hearing, and to any other party that has filed a request for notices with this Court and to any Statutory Committee after the same has been appointed, or such Statutory Committee's counsel, if the same shall have been appointed, and the Internal Revenue Service. Any party in interest objecting to the relief sought at the Final Hearing shall serve and file written objections, which objections shall be served upon the parties in interest entitled to receive such objection under Local Rule 9013-(3)(b), including (a) McDonald Hopkins, LLC, 600 Superior Avenue, East, Suite 2100 Cleveland, OH 44114-2653, Attention Scott N. Opincar (sopincar@mcdonaldhopkins.com) (facsimile: 216-348-5474), Fredrikson & Byron, P.A., 200 S. 6<sup>th</sup> St., Suite 4000, Minneapolis, MN 55402, Attention: Clinton E. Cutler (ccutler@fredlaw.com) (facsimile: 612-492-7077), attorneys for the Debtors; (b) Faegre & Benson, LLP, 2200 Wells Fargo Center, 90 South Seventh Street, Minneapolis, MN 55402-3901, Attention: Stephen M. Mertz (smertz@faegre.com) (facsimile: 612-766-1600), Morgan, Lewis & Bockius LLP, 225 Franklin Street, Boston, Massachusetts 02110, Attention: Jonathan K. Bernstein (jbernstein@morganlewis.com) (facsimile 617-341-7701) and Morgan,

Lewis & Bockius LLP, 101 Park Avenue, New York, New York, 10178, Attention: Wendy S. Walker (wwalker@morganlewis.com) (facsimile 212-309-6001), attorneys for Bank of America, N.A.; (c) Genovese Joblove & Battista, P.A., 100 Southeast Second Street, 44th Floor, Miami, Florida 33131, Attention: Paul J. Battista (pbattista@gjb-law.com) (facsimile: 305-349-2310) attorneys for Burger King Corporation, and (d) the Office of the United States Trustee for the District of Minnesota, and shall be filed with the Clerk of the United States Bankruptcy Court for the District of Minnesota, in each case to allow actual receipt by the foregoing no later than December 16, 2010.

11. The Court has and will retain jurisdiction to enforce this Order according to its terms.

Dated: December 8, 2010.

*/s/ Gregory F. Kishel*

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Gregory F. Kishel  
United States Bankruptcy Judge

**Duke & King**  
**Weekly Cash Flow Forecast**  
**In Court Analysis**  
**Dollars In Actuals**

Week Date	Filing	Post - Petition -->				4 Week Total	5	6	7	8	9	10	11	12	13	14	15	16	16 Week Total
	12/3/10	1	2	3	4		1/7/11	1/14/11	1/21/11	1/28/11	2/4/11	2/11/11	2/18/11	2/25/11	3/4/11	3/11/11	3/18/11	3/25/11	
<b>Beginning Book</b>		<b>396,774</b>	<b>489,253</b>	<b>420,682</b>	<b>638,580</b>	<b>396,774</b>	<b>536,424</b>	<b>393,402</b>	<b>187,149</b>	<b>415,114</b>	<b>470,520</b>	<b>212,483</b>	<b>367,918</b>	<b>296,327</b>	<b>701,713</b>	<b>296,156</b>	<b>407,442</b>	<b>770,184</b>	<b>396,774</b>
<b>Receipts:</b>																			
Sales		1,706,794	1,706,794	1,706,794	1,706,794	6,827,177	1,649,085	1,695,540	1,695,540	1,695,540	1,797,464	1,843,000	1,843,000	1,843,000	1,857,826	1,907,348	1,907,348	1,907,348	28,469,220
Management Fees		-	12,000	-	50,000	62,000	-	12,000	-	50,000	-	12,000	-	50,000	-	12,000	-	50,000	248,000
Other Deposits		7,500	7,500	7,500	7,500	30,000	7,500	7,500	7,500	332,500	7,500	7,500	7,500	369,610	7,500	7,500	7,500	7,500	807,110
<b>Total Credits</b>		<b>1,714,294</b>	<b>1,726,294</b>	<b>1,714,294</b>	<b>1,764,294</b>	<b>6,919,177</b>	<b>1,656,585</b>	<b>1,715,040</b>	<b>1,703,040</b>	<b>2,078,040</b>	<b>1,804,964</b>	<b>1,862,500</b>	<b>1,850,500</b>	<b>2,262,610</b>	<b>1,865,326</b>	<b>1,926,848</b>	<b>1,914,848</b>	<b>1,964,848</b>	<b>29,524,330</b>
<b>Operating Disbursements:</b>																			
Payroll		605,000	610,000	570,054	615,740	2,400,794	545,054	570,740	540,054	585,740	565,054	595,740	565,054	610,740	570,054	590,740	570,054	610,740	9,320,561
Food Vendors (Excl Bread)		560,000	560,000	531,372	531,372	2,182,745	501,372	501,372	509,484	509,484	569,484	569,484	567,362	567,362	577,362	577,362	577,118	577,118	8,787,109
AP Ordinary Course Checks		175,673	204,750	204,750	204,750	789,923	222,923	203,538	222,923	222,923	198,692	295,615	222,923	222,923	272,596	224,135	224,135	224,135	3,547,385
Rent		-	-	-	449,137	449,137	192,643	125,000	-	-	540,571	-	125,000	-	655,571	-	-	-	2,087,922
Sales Taxes		48,269	288,269	138,269	29,000	503,807	36,164	296,164	151,164	53,163	47,748	46,748	262,748	117,748	43,848	283,848	133,848	24,579	2,001,579
Royalty / Advertising To BK		25,000	-	-	-	25,000	-	25,000	-	-	-	25,000	-	-	-	25,000	-	-	100,000
Employee Benefits		145,000	54,000	18,105	2,605	219,710	87,605	137,605	22,605	2,605	112,605	112,605	22,605	2,605	122,605	52,605	18,105	14,105	927,967
Real Estate/ Property Taxes		-	35,000	-	-	35,000	-	-	-	256,873	-	-	127,552	-	-	-	-	97,000	516,426
Capital Expenditures		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Banking Fees		-	9,000	-	-	9,000	-	9,000	-	-	-	9,000	-	-	-	9,000	-	-	36,000
Other		38,846	33,846	33,846	33,846	140,385	28,846	28,846	28,846	28,846	28,846	28,846	28,846	28,846	28,846	28,846	28,846	28,846	486,538
<b>Total Operating Disbursements</b>		<b>1,597,788</b>	<b>1,794,865</b>	<b>1,496,397</b>	<b>1,866,450</b>	<b>6,755,500</b>	<b>1,614,608</b>	<b>1,897,266</b>	<b>1,475,076</b>	<b>1,659,634</b>	<b>2,063,001</b>	<b>1,683,038</b>	<b>1,922,091</b>	<b>1,550,224</b>	<b>2,270,883</b>	<b>1,791,536</b>	<b>1,552,106</b>	<b>1,576,522</b>	<b>27,811,486</b>
<b>Professional Fees:</b>																			
Financial Advisors		-	-	-	-	-	-	-	-	128,000	-	-	-	96,000	-	-	-	176,000	400,000
Legal Counsel		-	-	-	-	-	-	-	-	128,000	-	-	-	128,000	-	-	-	224,000	480,000
Local Counsel		-	-	-	-	-	-	-	-	32,000	-	-	-	16,000	-	-	-	32,000	80,000
Bank Advisors <sup>1</sup>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Bank Counsel <sup>1</sup>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Committee Advisors		-	-	-	-	-	-	-	-	64,000	-	-	-	56,000	-	-	-	100,000	220,000
US Trustee		-	-	-	-	-	10,000	-	-	-	-	-	-	-	-	-	-	30,000	40,000
Investment Banker		-	-	-	-	-	-	-	-	11,000	-	-	-	11,000	-	-	-	17,000	39,000
<b>Total Professional Fees</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>10,000</b>	<b>-</b>	<b>-</b>	<b>363,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>307,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>579,000</b>	<b>1,259,000</b>
<b>Non-Operating Disbursements:</b>																			
Utility Deposits		-	-	-	-	-	175,000	-	-	-	-	-	-	-	-	-	-	-	175,000
Bank of America - Interest / SWAP		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Bank of America - Principal		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Warren Capital - Broilers		24,027	-	-	-	24,027	-	24,027	-	-	-	24,027	-	-	-	24,027	-	-	96,108
<b>Total Non-Op Disbursements</b>		<b>24,027</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>24,027</b>	<b>175,000</b>	<b>24,027</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>24,027</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>24,027</b>	<b>-</b>	<b>-</b>	<b>271,108</b>
<b>Total Disbursements</b>		<b>1,621,815</b>	<b>1,794,865</b>	<b>1,496,397</b>	<b>1,866,450</b>	<b>6,779,527</b>	<b>1,799,608</b>	<b>1,921,293</b>	<b>1,475,076</b>	<b>2,022,634</b>	<b>2,063,001</b>	<b>1,707,065</b>	<b>1,922,091</b>	<b>1,857,224</b>	<b>2,270,883</b>	<b>1,815,563</b>	<b>1,552,106</b>	<b>2,155,522</b>	<b>29,341,594</b>
<b>Ending Book Balance</b>		<b>396,774</b>	<b>489,253</b>	<b>420,682</b>	<b>638,580</b>	<b>536,424</b>	<b>393,402</b>	<b>187,149</b>	<b>415,114</b>	<b>470,520</b>	<b>212,483</b>	<b>367,918</b>	<b>296,327</b>	<b>701,713</b>	<b>296,156</b>	<b>407,442</b>	<b>770,184</b>	<b>579,510</b>	<b>579,510</b>

**Notes:**

1) Bank advisor fees to be determined



**Duke & King**  
**Weekly Cash Flow Forecast**  
**In Court Analysis**  
**Dollars In Actuals**

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